



P. O. Box 609 • Mt. Vernon, Oregon 97865 • (541) 932-4411 • FAX (541) 932-4498

October 9, 2013

Electronic Filing

Ms. Marlene H. Dortch
Office of Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 10-90 & 11-42
Annual §54.313/54.422 Report of High-Cost and Low Income Recipient, Form 481

Dear Ms. Dortch:

Enclosed herein is the annual report for Oregon Telephone Corporation-MTE, Study Area Code 533336 pursuant to §54.313/54.422 of the Commission's rules.

Please contact me with any questions at:

Phone: 541-932-4411
Email: dkluser@ortelco.net

Sincerely,

Attachment

Copies to:

Universal Service Administrative Company
Electronic Filing
Washington, DC 20036

Public Utility Commission
Electronic Filing



**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**
FCC Form 481
OMB Control No. 3060-0085/OMB Control No. 3060-0818
July 2013

<010> Study Area Code	533236
<015> Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	DELINDA KLUSER
<035> Contact Telephone Number: Number of the person identified in data line <030>	541 932 4411
<039> Contact Email Address: Email of the person identified in data line <030>	dkluser@ortelco.net

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
			(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<320> Unfulfilled Service Requests (broadband)	<input type="text" value="0"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<410> Fixed	<input type="text" value="0.0"/>			
<420> Mobile	<input type="text" value="0.0"/>			
<430> Number of Complaints per 1,000 customers (broadband)				
<440> Fixed	<input type="text" value="0.0"/>			
<450> Mobile	<input type="text" value="0.0"/>			
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<510> <input type="text" value="5333601510"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<610> <input type="text" value="5333601510"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1010> <input type="text" value="5333601510"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1100> Terrestrial Backhaul (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1110> <input type="text" value="5333601510"/>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**[100] Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELONDA FLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	nkfluser@oztelco.net
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How (USF) was used to improve service quality
 <116> How (USF) was used to improve service coverage
 <117> How (USF) was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

(200) Service Outage Reporting (Voice) FCC Form 481
Data Collection Form OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	533330
<015>	Study Area Name	Oregon Tel. Corp. (OTE - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KRAMER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	otcluser@ortelco.net

[illegible]

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code 223330

<015>	Study Area Name	Oregon Tr. Corp. (MTE - Oregon)
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<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data ZELINDA KLUSER

<035> Contact Telephone Number - Number of person identified in data line <030> 741 432 4412

<039> Contact Email Address - Email Address of person identified in data line <030> dkluser@ortel.co.net

<701> Residential Local Service Charge Effective Date

2/2/2013

<702> Single State-wide Residential Local Service Charge

[illegible]

<010>	Study Area Code	531326
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 942 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	423226
<015>	Study Area Name	Oregon Tel. Corp. (NTR - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLOPER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkl@oregontel.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

**{1100} No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	93a33a
<015>	Study Area Name	Oregon Tel. Corp. (MTC - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINEA KLUGER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 452 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	okluger@ortelco.net

Please check this box to confirm no terrestrial backhaul
<1120> options exist within the supported area pursuant to § 54.313(G) ☒

Please check this box to confirm the reporting carrier offers
<1130> broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	533356
<015>	Study Area Name	Oregon Tel. Corp. (MIE - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DEBORAH KLOSTER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 972 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkloster@ntelco.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

53336or1222

Name of attached document (.pdf)

<1220> Link to Public Website

HTTP <http://www.puc.state.or.us/Pages/rspe/stap.aspx>

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation**Data Collection Form****Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 332 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification (47 CFR § 54.313(b)(1))
 <2011> 3rd Year Certification (47 CFR § 54.313(b)(2))

☐
☐
Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))

<2012> 2013 Frozen Support Certification
 <2013> 2014 Frozen Support Certification
 <2014> 2015 Frozen Support Certification
 <2015> 2016 and future Frozen Support Certification

☐
☐
☐
☐
Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))

<2016> Certification Support Used to Build Broadband

☐
Connect America Phase II Reporting (47 CFR § 54.313(e))

<2017> 3rd year Broadband Service Certification
 <2018> 5th year Broadband Service Certification
 <2019> Interim Progress Certification
 <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☐
☐
☐
☐

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No 3060-0386/OMB Control No 3050-0819

July 2013

<010> Study Area Code	53336
<015> Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	HELENA KLUSEK
<035> Contact Telephone Number - Number of person identified in data line <030>	541 932 4411
<039> Contact Email Address - Email Address of person identified in data line <030>	hklusek@ortelco.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010) Milestone Certification [47 CFR § 54.313(f)(1)(i)] Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(i), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3012) Community Anchor Institutions [47 CFR § 54.313(f)(1)(ii)] (3013) Is your company a Privately Held ROR Carrier [47 CFR § 54.313(f)(2)] (3014) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No) <input checked="" type="checkbox"/> (Yes/No)
(3015) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3016) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	5333661-0017
(3018) If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/> (Yes/No)
(3019) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3020) Management letter issued by the independent certified public accountant that performed the company's financial audit.		<input type="checkbox"/>
(3021) If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3022) Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3023) Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026) Attach the worksheet listing required information	Name of Attached Document Listing Required Information	5333661-0024

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (NTE - Oregon)
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	CELINDA KLUSER
<035>	Contact Telephone Number - Number of person identified in data line <030>	541 952 4411
<039>	Contact Email Address - Email Address of person identified in data line <030>	ckluser@oretelco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: Oregon Tel. Corp. (NTE - Oregon)	
Signature of Authorized Officer: CERTIFIED ONLINE	Date
Printed name of Authorized Officer: Celinda Kluser	
Title or position of Authorized Officer: Vice-Pres, Manager	
Telephone number of Authorized Officer: 541-952-4411	
Study Area Code of Reporting Carrier: 533336	Filing Due Date for this form: 10/15/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form		FCC Form 481 OMB Control No 3060-0886/OMB Control No 3060-0819 July 2013
<010> Study Area Code	543336	
<015> Study Area Name	Oregon Tel. Corp. (MTE - Oregon)	
<020> Program Year	2014	
<030> Contact Name - Person USAC should contact regarding this data	DELINDA KLUSFF	
<035> Contact Telephone Number - Number of person identified in data line <030>	541 932 4411	
<039> Contact Email Address - Email Address of person identified in data line <030>	dklusff@ortel-co.net	

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

{800} Operating Companies Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code

生主生主生主

<015> Study Area Name

Oregon Tel. Corp. (MTE - Oregon)

<020> Program Year

4934

<030> Contact Name - Person USAC should contact regarding this data

CELINLA KISSER

<035> Contact Telephone Number - Number of person identified in data line <030>

941 952 4411

<039> Contact Email Address - Email Address of person identified in data line <030>

0> deluser@deluser-laptop:~\$

<810> Reporting Carrier

Oregon Telephone Corp-MTE

<811> Holding Company

Oregon Telephone Corp

<812> Operating Company

Oregon Telephone Corp

<813>

<a1>

<a2>

<a3>

Affiliates

SAC

Doing Business As Company or Brand Designation

Oregon Telephone Corporation

532384

Oregon Telephone Corporation

Attachments

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010> Study Area Code	533336
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<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
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<020>	Program Year	2014
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<030>	Contact Name - Person USAC should contact regarding this data	DELINDA KLUSER
-------	---	----------------

<035>	Contact Telephone Number - Number of person identified in data line <030>	541 141 4412
-------	---	--------------

<039>	Contact Email Address - Email Address of person identified in data line <030>	dn@userreporting.com
-------	---	----------------------

<810> Reporting Carrier	Oregon Telephone Corp-MTE
--------------------------------------	---------------------------

<811>	Holding Company	Oregon Telephone Corp
-------	-----------------	-----------------------

<812>	Operating Company	Oregon Telephone Corp
-------	-------------------	-----------------------

<813>	<a1>	<a2>	<a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation
	Oregon Telephone Corporation	522384	Oregon Telephone Corporation

Service Quality Standards & Consumer Protection Rules Compliance

Study Area Code	533336
Study Area Name	Oregon Telephone Corporation-MTE
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

Consumer Protection

Oregon Telephone Corporation-MTE complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

Oregon Telephone Corporation-MTE complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

Functionality in Emergency Situations

Study Area Code 533336
 Study Area Name OREGON TELEPHONE CORP-MTE
 Program Year 2014
 Contact Name DELINDA KLUSER
 Contact Telephone Number 541 932 4411
 Contact E-Mail Address dkluser@ortelco.net

<u>Exchange</u>	<u>Site Name</u>	<u>Battery Ah</u>	<u>Est Battery Life</u>	<u>Backup Pwr</u>	<u>Fuel Type</u>	<u>Capacity</u>	<u>Est Run Time</u>
Harper	Harper Central Office	170 Ah	5 hrs	Generator	Propane	500 gal	200 hrs
Harper	Hwy 20 AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Harper	Little Valley AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Harper	Old Stage AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Harper	Westfall AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Harper	4-Corners Calix E3-12c Remote	7.2 Ah	5 hrs	N/A	N/A	N/A	N/A
Juntura	Juntura Central Office	170 Ah	10 hrs	Generator	Propane	56 gal	22 hrs

1200

Terms and Conditions for
Lifeline Customers

Study Area Code	533336
Study Area Name	OREGON TELEPHONE CORP-MTE
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 923 4411
Contact E-Mail Address	dkluser@ortelco.net

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Oregon Telephone-MTE subscriber, are free to choose their own toll usage plans through IXC's that serve Oregon Telephone Corp-MTE.

The following financial report contains financial data for both Oregon Telephone Corporation (SAC 532389) and Oregon Telephone Corporation-MTE (SAC 533336). The companies operate on a consolidated basis and separated results are not available.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		This document is to be used by RUS to review your financial situation. Your response is requested by 3/31/2013 and is subject to review by RUS and its subsidiaries regarding confidential information as it relates to confidential BORROWER NAME Oregon Telephone Corporation			
INSTRUCTIONS: Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2012		BORROWER DESIGNATION OR0510	
CERTIFICATION I, hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7 CFR CHAPTER XVII (Check one of the following)					
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.					
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report.					
Delinda Kluser		3/21/2013 DATE			
PART A. BALANCE SHEET					
ASSETS		BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT ASSETS				BALANCE PRIOR YEAR	BALANCE END OF PERIOD
1. Cash and Equivalents	1,852,078	2,880,544	25. Accounts Payable		
2. Cash-RUS Construction Fund	1	1	875,222 471,456		
3. Affiliates			26. Notes Payable		
a. Telecom. Accounts Receivable	126,799	126,604	20,089		
b. Other Accounts Receivable	86,242	172,397	28. Customer Deposits		
c. Notes Receivable			5,228 5,375		
4. Non-Affiliates			29. Current Mat. L/T Debt		
a. Telecom. Accounts Receivable			1,514,359 1,660,661		
b. Other Accounts Receivable	704,077	611,535	30. Current Mat. L/T Debt-Rur. Dev		
c. Notes Receivable			31. Current Mat.-Capital Leases		
5. Interest and Dividends Receivable			32. Income Taxes Accrued		
6. Material-Regulated	22,326	32,826	250,379		
7. Material-Nonregulated			33. Other Taxes Accrued		
8. Prepayments	41,316	5,184	34. Other Current Liabilities		
9. Other Current Assets			219,315 201,361		
10. Total Current Assets (1 thru 9)	2,832,839	3,929,001	35. Total Current Liabilities (25 thru 34)		
NONCURRENT ASSETS				2,608,121 2,629,361	
11. Investment in Affiliated Companies			LONG-TERM DEBT		
a. Rural Development			36. Funded Debt-RUS Notes		
b. Nonrural Development	3,703,584	4,025,979	15,117,191 14,803,279		
12. Other Investments			37. Funded Debt-RTB Notes		
a. Rural Development			2,811,785 2,770,595		
b. Nonrural Development	74,158	74,158	38. Funded Debt-FFB Notes		
13. Nonregulated Investments	165,860	366,766	39. Funded Debt-Other		
14. Other Noncurrent Assets			40. Funded Debt-Rural Develop. Loan		
15. Deferred Charges			41. Premium (Discount) on L/T Debt		
16. Jurisdictional Differences			42. Recquired Debt		
17. Total Noncurrent Assets (11 thru 16)	3,943,602	4,466,903	43. Obligations Under Capital Lease		
PLANT, PROPERTY, AND EQUIPMENT				44. Adv. From Affiliated Companies	
18. Telecom. Plant-in-Service	30,775,494	31,430,103	45. Other Long-Term Debt		
19. Property Held for Future Use			1,629,827 1,328,048		
20. Plant Under Construction			46. Total Long-Term Debt (36 thru 45)		
21. Plant Adj., Nonop. Plant & Goodwill	859,299	859,299	19,558,803 18,902,061		
22. Less Accumulated Depreciation	11,257,499	12,096,717	OTHER LIAB. & DEF. CREDITS		
23. Net Plant (18 thru 21 less 22)	20,377,294	20,202,685	47. Other Long-Term Liabilities		
24. TOTAL ASSETS (10+17+23)			12,941 10,367		
			48. Other Deferred Credits		
			1,303,317 1,640,742		
			49. Other Jurisdictional Differences		
			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
			1,316,258 1,651,029		
			EQUITY		
			51. Cap. Stock Outstand. & Subscribed		
			2,674,715 2,674,715		
			52. Additional Paid-in-Capital		
			17,204 17,204		
			53. Treasury Stock		
			10,558,030 10,639,276		
			54. Membership and Cap. Certificates		
			55. Other Capital		
			56. Patronage Capital Credits		
			57. Retained Earnings or Margins		
			11,540,664 12,352,468		
			58. Total Equity (51 thru 57)		
			3,670,553 5,416,117		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
			27,153,735 28,599,369		

Total Equity = 18.94% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		OR0510	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2012	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1 Local Network Services Revenues		480,639	469,885
2 Network Access Services Revenues		5,578,367	6,397,537
3 Long Distance Network Services Revenues			
4 Carrier Billing and Collection Revenues		27,572	32,118
5 Miscellaneous Revenues		13,395	25,045
6 Uncollectible Revenues		2,132	1,621
7. Net Operating Revenues (1 thru 5 less 6)		6,097,791	6,915,966
8 Plant Specific Operations Expense		985,133	733,901
9 Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		142,424	174,869
10 Depreciation Expense		1,437,685	1,575,855
11. Amortization Expense			
12. Customer Operations Expense		134,611	133,259
13. Corporate Operations Expense		795,354	893,860
14. Total Operating Expenses (8 thru 13)		2,495,207	3,511,900
15. Operating Income or Margins (7 less 14)		2,602,524	3,407,152
16. Other Operating Income and Expenses		3,358	2,311
17. State and Local Taxes		2,465	131,047
18. Federal Income Taxes		512,080	593,942
19. Other Taxes		311,870	330,005
20. Total Operating Taxes (17+18+19)		826,419	1,055,014
21 Net Operating Income or Margins (15+16-20)		1,779,163	2,349,869
22. Interest on Funded Debt		901,517	955,594
23. Interest Expense - Capital Leases			
24 Other Interest Expense		33,003	32,214
25 Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)		934,520	987,808
27. Nonoperating Net Income		473,973	465,179
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		(92,771)	(9,714)
31. Total Net Income or Margins (21+27+28+29+30-26)		1,226,145	1,617,603
32 Total Taxes Based on Income		530,594	711,562
33 Retained Earnings or Margins Beginning-of-Year		10,314,509	11,540,664
34 Miscellaneous Credits Year-to-Date			
35 Dividends Declared (Common)			
36 Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		11,540,664	12,356,468
40 Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		2,210,600	2,542,377
45. Cash Ratio [(14+20-10-11) / 7]		0.4736	0.4332
46. Operating Accrual Ratio [(14+20+26) / 7]		0.8620	0.8026
47. TIER [(31+26) / 26]		2.3131	2.8402
48. DSCR [(31+26+10+11) / 44]		1.6278	1.7235

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		ORC 510	
INSTRUCTIONS - See help in the online application.		PERIOD ENDED	
		December, 2012	
PART I - STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		1,852,079
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income		1,817,803
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add Depreciation		1,575,855
4.	Add Amortization		0
5.	Other (Explain) income tax/depr		262,932
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable		6,672
7.	Decrease/(Increase) in Materials and Inventory		(10,500)
8.	Decrease/(Increase) in Prepayments and Deferred Charges		36,132
9.	Decrease/(Increase) in Other Current Assets		0
10.	Increase/(Decrease) in Accounts Payable		(403,726)
11.	Increase/(Decrease) in Advance Billings & Payments		20,059
12.	Increase/(Decrease) in Other Current Liabilities		(11,934)
13.	Net Cash Provided/(Used) by Operations		3,360,124
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable		0
15.	Increase/(Decrease) in Notes Payable		0
16.	Increase/(Decrease) in Customer Deposits		150
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(490,439)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		314,771
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		(73,240)
20.	Less: Payment of Dividends		0
21.	Less: Patronage Capital Credits Retired		0
22.	Other (Explain)		
23.	Net Cash Provided/(Used) by Financing Activities		(217,758)
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)		(654,609)
25.	Other Long-Term Investments		(529,101)
26.	Other Noncurrent Assets & Jurisdictional Differences		0
27.	Other (Explain) capital exp/subsidiary inc		(766,189)
28.	Net Cash Provided/(Used) by Investing Activities		(1,949,899)
29.	Net Increase/(Decrease) in Cash		1,138,466
30.	Ending Cash		2,990,545

Revision Date 2010

OREGON TELEPHONE CORPORATION

RUS MANAGEMENT LETTER

DECEMBER 31, 2012 AND 2011



INDEPENDENT AUDITOR'S MANAGEMENT LETTER FOR TELECOMMUNICATIONS
BORROWERS

March 1, 2013

Board of Directors
Oregon Telephone Corporation
Mt. Vernon, Oregon

We have audited the financial statements of Oregon Telephone Corporation for the years ended December 31, 2012 and 2011, and have issued our report thereon dated March 1, 2013. We conducted our audits in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of Rural Utility Services (RUS) Borrowers. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits of the financial statements of Oregon Telephone Corporation for the years ended December 31, 2012 and 2011, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A description of the responsibility of management for establishing and maintaining the internal control over financial reporting and the objectives of and inherent limitations in such control is set forth in our independent auditor's report on internal control over financial reporting and on compliance dated March 1, 2013, and should be read in conjunction with this report.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a significant deficiency, or combination of significant deficiencies, in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be prevented or detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

Section 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33 (e)(2), and related party transactions and investments. In addition, our audits of the financial statements also included the procedures specified in 7 CFR 1773.38 - .45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports other than our independent auditor's report and our independent auditor's report on internal control over financial reporting and on compliance, all dated March 1, 2013, or summary of recommendations related to our audits have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR 1773.33 are presented below.

COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matters regarding Oregon Telephone Corporation's internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- * The accounting procedures and records;
- * The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts; and
- * The materials control.

COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND SECURITY INSTRUMENT PROVISIONS

Management's responsibility for compliance with laws, regulations, contracts, and grants is set forth in our independent auditor's report on internal control over financial reporting and on compliance dated March 1, 2013, and should be read in conjunction with this report. At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- * Procedure performed with respect to the requirement to maintain all funds in institutions whose accounts are insured by an Agency of the Federal government:
 1. Obtained information from financial institutions with which Oregon Telephone Corporation maintains funds that indicated that the institutions are insured by an agency of the Federal government.
- * Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, for the use of mortgaged property by others, or for services pertaining to toll traffic, operator assistance, or switching for the years ended December 31, 2012 and 2011, of Oregon Telephone Corporation.
 1. Obtained and read a borrower-prepared schedule of new written contracts, agreements or leases entered into during the years between the borrower and an affiliate as defined in §1773.33 (e)(2)(i).
 2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
 3. Noted the existence of written RUS approval of each contract listed by the borrower.
- * Procedure performed with respect to the requirement to submit RUS Form 479 to the RUS:
 4. Agreed amounts reported in Form 479 to Oregon Telephone Corporation's records.

The results of our tests indicate that, with respect to the items tested, Oregon Telephone Corporation complied, except as noted below, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- * The borrower maintains all funds in institutions whose accounts are insured by an agency of the Federal government. The Company does, however, have funds in excess of insured amounts deposited in those accounts.

- * The borrower has obtained written approval of the RUS to enter into any contract, agreement or lease with an affiliate as defined in §1773.33 (e)(2)(i); and
- * The borrower has submitted its Form 479 to the RUS and the Form 479, Financial and Statistical Report, as of December 31, 2011, represented by the borrower as having been submitted to RUS, is in agreement with the Oregon Telephone Corporation's audited records in all material respects. Form 479 for 2012 was not completed as of our report date.

COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audits of the financial statements of Oregon Telephone Corporation, nothing came to our attention that caused us to believe that Oregon Telephone Corporation failed to comply with respect to:

1. The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR 1773.33 (c)(1);
 - * The clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR 1773.33 (c)(2);
 - * The retirement of plant addressed at 7 CFR 1773.33 (c)(3) and (4);
 - * The approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR 1773.33 (c)(5);
 - * The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, Related Party Transactions, for the years ended December 31, 2012 and 2011, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR 1773.33 (e); and
 - * The detailed schedule of investments.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments required by 7 CFR 1773.33 (i), and provided below, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

<u>Investment</u>	<u>%</u> <u>Owned</u>	<u>Original</u> <u>Investment</u>	<u>Advances</u> <u>(Dividends)</u>	<u>Current</u> <u>Earnings</u>	<u>Prior</u> <u>Accumulated</u> <u>Earnings</u>	<u>Ending</u> <u>Investment</u>
North State Telephone Company	95.29%	\$1,226,519	\$(365,677)	\$358,393	\$2,837,464	\$4,056,699
MD Communications, LLC	100%	10,489		(36,000)	(5,209)	(30,720)
Western Independent Networks, Inc.	298 shares	51,658	22,500	0	0	74,158
		<u>\$1,288,666</u>	<u>\$(343,177)</u>	<u>\$322,393</u>	<u>\$2,832,255</u>	<u>\$4,100,137</u>

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Wiggins & Co., LLC

Brigham City, Utah 84302

March 1, 2013

3026

Terrestrial Backhaul Certification

Study Area Code	533336
Study Area Name	Oregon Telephone Corporation-MTE
Program Year	2014
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

54.313(g) Areas with no terrestrial backhaul

All Oregon Telephone Corporation-MTE exchanges, with the exception of Juntura have terrestrial backhaul. The satellite backhaul for Juntura supports a minimum service level of 128kdown/128kup. Satellite backhaul is being used because the cost to obtain commercial backhaul is cost prohibitive. Oregon Telephone Corporation-MTE continues to seek economically sound solutions to address this exchange for both terrestrial backhaul and in meeting minimum service speed levels.